

HOUSE BILL REPORT

EHB 2266

As Passed House:
June 29, 2015

Title: An act relating to deferring implementation of class size reduction and school employee staffing formula changes.

Brief Description: Deferring implementation of class size reduction and school employee staffing formula changes.

Sponsors: Representative Sullivan.

Brief History:

Committee Activity:

Appropriations: 6/22/15, 6/23/15 [DP].

Third Special Session

Floor Activity:

Passed House: 6/29/15, 72-26.

Brief Summary of Engrossed Bill

- Revises the implementation schedule for Initiative 1351, moving the first date of required funding from the 2015-17 fiscal biennium to the 2019-21 fiscal biennium.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 23 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Carlyle, Cody, Dunshee, Hansen, Harris, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, Pettigrew, Sawyer, Schmick, Senn, Springer, Sullivan, Tharinger and Walkinshaw.

Minority Report: Do not pass. Signed by 9 members: Representatives Buys, Condotta, Dent, Haler, G. Hunt, MacEwen, Stokesbary, Taylor and Van Werven.

Minority Report: Without recommendation. Signed by 1 member: Representative Magendanz.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Jessica Harrell (786-7349).

Background:

Prototypical Schools.

Legislation enacted in 2009 and 2010 redefined basic education and restructured the K-12 funding formulas. The first of these bills was Engrossed Substitute House Bill 2261 (Chapter 548, Laws of 2009), which expanded the definition of basic education and established the framework for a new K-12 funding allocation formula based on prototypical schools. The second bill, Substitute House Bill (SHB) 2776 (Chapter 236, Laws of 2010) enacted in statute the new prototypical school allocation formulas at funding levels that represented the 2009-10 school year state spending on basic education. Additionally, SHB 2776 called for phased-in implementation of specified enhancements to the basic education program and the funding to support it. Three of these four enhancements have been partially implemented, as of the 2014-15 school year: (1) specified increases in funding for materials, supplies, and operating costs (MSOC) by the 2015-16 school year; (2) full funding of class size reductions for grades kindergarten through 3 (K-3) by the 2017-18 school year; and (3) statewide implementation of all-day kindergarten, also by the 2017-18 school year.

The prototypical school funding formula for basic education took effect September 1, 2011. The formula allocates funds to school districts based on assumed levels of staff and other resources necessary to support a "prototypical" school that serves an assumed number of students at defined elementary, middle, and high school levels. The structure of the formula, which appears in statute, provides allocations for classroom teachers at an assumed class size, plus other building-level staff such as principals, teacher-librarians, counselors, and office support. The allocations to a school district are adjusted to reflect the full-time equivalent enrolled students, in proportion to the prototypical school ratios. The funding provided to school districts through the prototypical school formulas is for allocation purposes only. Districts have discretion over how the money is spent, subject to some limits.

Initiative 1351.

Washington voters approved Initiative 1351 (I-1351) November 4, 2014. Initiative 1351 amended the prototypical school funding formula to lower class sizes in all grades; provide additional class size reductions in high poverty schools beyond those specified for the general education class sizes; and increase the allocation of school-based and district-wide staff units in all categories. The initiative specified a phase-in schedule for the funding of the new prototypical schools funding formula. For the 2015-17 biennium, funding allocations are required to be no less than 50 percent of the difference between the funding necessary to support the prototypical model as of September 1, 2013, and the funding necessary to support the numerical values to support the prototypical model as revised by the initiative. Full implementation of I-1351 is required to be completed by the end of the 2017-19 biennium.

During the two-year period after a ballot measure is approved by the voters, there are special limitations on repeal or amendment of the measure. First, the measure may not be repealed by legislative vote, but it may be repealed by "direct vote" of the people. Second, the measure may be amended by legislative vote with a two-thirds approval of both houses, or by "direct vote" of the people. "Direct vote" of the people includes voter enactment of a referendum bill approved by a constitutional majority of both houses of the Legislature.

Summary of Engrossed Bill:

Legislative findings and intent are declared regarding educational reasons for temporary deferral of Initiative 1351. First, the legislature intends to focus on implementation of ESHB 2261 and SHB 2776, which the *McCleary v. State* (2012) ruling identified as a remedy. These reforms include class size reduction in early grades as recommended by the research reviewed by the Basic Education Funding Task Force and the Quality Education Council. Second, the legislature finds that there are practical implementation issues for the deferral, including production of new teachers, the need to avoid exacerbating teacher recruitment challenges, and time to plan and construct new classrooms.

The implementation schedule specified under I-1351 is revised, delaying by four years the implementation of allocations for class size reduction and increased staffing units. The first biennium by which the Legislature must begin providing funding for prototypical staffing increases is changed to the 2019-21 biennium. Full funding is required to be provided by the end of the 2021-23 biennium.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(In support) The Public School Employees of Washington (PSE) has been on record as supporting I-1351 because of what it does for classified employees. The PSE appreciates that this bill keeps I-1351 alive and looks forward to addressing it in subsequent budgets in future biennia.

The delay is supported. The Legislature must fund compensation first, and then deal with I-1351.

(With concerns) The Association of Washington School Principals (AWSP) was not supportive of I-1351, and in fact the board took a vote in opposition. However, the AWSP supports this bill in that it will allow time for the Legislature to sort through the best ways to improve student achievement.

(Opposed) None.

Persons Testifying: (In support) Doug Nelson, Public School Employees Service Employees International Union Local 1948; and Mitch Denning, Alliance of Educational Associations.

(With concerns) Jerry Bender, Association of Washington School Principals.

Persons Signed In To Testify But Not Testifying: None.